

FISCAL NOTE

SB 3053 - HB 3137

March 17, 1998

SUMMARY OF BILL: Requires the TennCare program to cover smoking cessation products.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures - \$630,000

Other Fiscal Impact - Increase Federal Expenditures - \$1,080,000

Assumes that approximately one percent of all TennCare enrollees over age 18 will use such products. This benefit is not currently required under the conditions of MCO contracts. The addition of significant requirements or services may require a modification in capitation rates paid to MCO's.

Covering the cost of smoking cessation products under the TennCare program may result in lower medical costs to the such program in the long term. The fiscal impact, if any, of including this benefit cannot be determined.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director

SB 3053 - HB 3137